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SOURCE Jen-min Jih-paoINFORMATION ON STATE FARMS IN CHINA

Summary: For 3 years, the Shuang-ch'iao State Farm has failed to manage its capital and production properly and has operated with losses. Now, after corrective measures, the farm is expected to operate at a profit. Dairy herds and grazing facilities are to be emphasized; lumbering and farming are to be developed.

The Lu-t'ai, Shiang-ch'iao, and Wu-li-tien State Farms are improving their work efficiency by devising new production techniques and reducing costs.

DISCUSSES SHORTCOMINGS OF SHUANG-CH'IAO STATE FARM -- Peiping, Jen-min Jih-pao, 28 Jun 53

The Shuang-ch'iao State Farm was established in 1949 and from 1950, following the introduction of mechanical plowing, production increased rapidly. However, in 1952, the farm was still operating at a loss of 92 million yuan. What was the cause of this condition?

This farm took national capital and invested it blindly and impractically. Up to the end of 1952, the state had invested more than 9,300,000,000 yuan in reconstruction. The capital was not used for investment in the most important phase -- the expansion and development of production. Moreover, the order of indirect costs (depreciation) was increased, thus hindering the positive accumulation and reinvestment of capital. It is estimated that in the past 3 years (1950 to 1952), reconstruction depreciation totaled 600 million yuan; for 1953 it will be 500 million yuan, which is almost 20 percent of the farm's total production costs for the year.

Building expenditures, an outstanding item in reconstruction costs, accounted for 59.8 percent of the total reconstruction costs. From April to December 1952, there were wide-spread building operations. Pig sties, hatcheries, and 12 houses with an area of 2,372 square meters were built at a total

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cost of more than 2.5 billion yuan. The houses cost over one million yuan per square meter. The four new pig sties cost 860 million yuan and the income from the sale of pigs was barely 107 million yuan. A hothouse, which was promptly used as an office, was built at a cost of 370 million yuan. Many derisive remarks were made about this building without planning.

The output of the farm's agricultural fields and animal husbandry were both on an unplanned cost basis. The objective was an increase of production rather than the welfare of the people. There was too much capital invested in fertilizer and labor, and too much expensive highly refined stock feed was used. As a result, there was a real increase in production but there were still losses. The farm managers had the false idea of "exchanging money for production," not realizing the worth of research, improved plowing, and fodder control. Consequently, waste and losses were very high.

Last year, the farm planted 826 mou of cotton. To fulfill this not too practical production increase plan (ordinary fields to yield 450 catties of unginmed cotton per mou and high-production fields to yield 1,000 catties), the farm manager spread 280 million yuans worth of fertilizer (more than 96 percent of which was commercial) and used the labor of more than 17,000 workers. The cost per mou of cotton field amounted to 1,100,000 yuan. Because too much high-nitrogen-content fertilizer was used, the ripening of the cotton was delayed. In addition, no precautionary measures were taken against natural calamities and as a result there was damage from frost. The average yield of unginmed cotton was 259 catties per mou; high-production fields yielded only 524 catties per mou. In calculating the results, each catty of unginmed cotton cost 4,582 yuan to produce and the market price of the cotton was only 2,800 yuan per catty. In this one item of production, more than 240 million yuan has been lost.

The one production item for which the Shuang-ch'iao State Farm fulfilled the plan was chicken raising. Last year, more than 1,200 chickens were raised and they yielded over 109,000 eggs. The average egg production per leghorn hen increased from 185 to 188 eggs. However, the price of feed is high. In the first 6 months, wheat, corn, kaoliang, barley, dried fish, bean cake, bran, clam-shell meal, etc., were fed; in the latter half of the year the number of types of feed used had increased to 14. Expenditures for feed were too high, amounting to 80 percent of the total costs. As a result, the farm suffered a loss of more than 60 million yuan on its chicken raising.

The leading cadres of this farm were not trained in the methods of socialist economic planning. They had no training in scientific purchasing or selling. Some 7,000 catties of sugar beets, intended as food for milk cows, spoiled by freezing because no one took the proper care of the sugar beets. Some 8,000 catties of wheat bran and 3,000 catties of ginmed cotton could not be accounted for. At the time the municipal markets were selling eggs at 800 yuan each, the state farm was selling its eggs at only 400 yuan each. When grain companies were selling their feed at only 400 yuan per catty, the farm was putting its feed on the market at 800 yuan per catty. The damage rate to farming equipment was also very high; the outlay for this item is very difficult to estimate.

During February, the Shuang-ch'iao State Farm initiated a program to combat bureaucracy. Also at that time the workers received practical training and it was stressed that they themselves were the managers of the farm. The foundation was thus laid for the revised economic management of this state farm. From March to May, the cadres received training, financial planning was discussed, and a profit of one billion yuan set as the goal.

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First, it was decided that dairy production and grazing were to be stressed, and that the agricultural and lumber industries were to be developed in conjunction with each other. In agriculture, except for the 819 mou devoted to cotton, wheat, etc., the fodder area was to be expanded by 3,600 more mou, thus ensuring the provision of all types of fodder to meet the needs of the cattle. This year's plowed area, as compared to last year's, has increased more than 100 percent. In reconstruction, capital will be concentrated on expanding production. This will enable the total value of the farm's production to be increased to 3.6 billion yuan, an increase of approximately 30 percent over last year.

Second, from the workers' knowledge of the significance of the farm's production, a feeling of cost consciousness has been developed. Production is expected to be high this year, but expenditures are planned to be less than 2.5 billion yuan, a decrease of over 12 percent as compared to last year.

At present, production brigades are in the process of revising plans to bring down costs. There are over 1,000 students studying mechanical methods of agriculture. Manure is good fertilizer and the farm has a number of manure piles, but in the past the farm has mainly used commercial fertilizer. Now efforts are being made to accumulate more manure thus saving the capital invested in commercial fertilizer.

Pig-raising experts have studied Soviet techniques and have investigated the prices of various types of feed. They have substituted black beans for bean cake, and sweet potatoes for corn and kachang in feeding the pigs. This will effect a saving of 70 million yuan on the 700,000 catties of feed needed for the pigs this year.

Proper organization has been carried out along with the revision of plans. In accordance with the practical needs of the state farm, and to strengthen management, a managerial office and accounting office have been set up together with farming and grazing brigades. Management personnel has been reduced from 32 persons to 24. This year the number of milk cows has been increased from 126 head to 171 head, the number of pigs from 240 to more than 400 and the number of chickens from 1,200 to over 2,200. The number of herders has been reduced from 35 to 33.

Shuang-chiao State Farm is now on the way to making a profit. Within the past 5 months, the dairy, which accounts for 60 percent of this farm's production, has already surpassed its planned output (the original plan called for 147,380 kilograms of milk, actual output was 154,260 kilograms).

At present, the state farm is opening a patriotic program to increase production and reduce waste, and is also studying the techniques of modern farming.

THREE STATE FARMS IMPROVE EFFICIENCY - Peiping, Jen-min Jib-pao, 28 Jun 53

The three state farms of Lu-t'ai, Shuang-chiao, and Wao-li-tien, are now engaged in summer hoeing and summer harvesting activities. All workers are devising methods of improving work efficiency and cutting production costs.

The Lu-t'ai State Farm planted 18,000 mou of paddy rice this year. In the past, grass was removed by hand, and conforming to past techniques, it was estimated that in 1953, 70,000 man-days of temporary labor would be required for this operation. To improve work efficiency and to lower costs, the state farm workers invented a manually operated weeding implement. Previously, grass removal required one half a workday per mou, but with the use of the weeder,

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each man can now average 2.74 mou per day. This is an improvement of 100 percent over last year. Hence, only 30,000 man-days of labor were required from temporary workers. During the first grass removing operation, 2,293 workdays were saved. The original plan for applications of fertilizer called for fertilizing at the rate of 20 mou per man per day. The actual figure attained was 30 mou, thus saving a total of 284 workdays.

At the Wu-li-tien State Farm the hilling of cotton and corn is proceeding on schedule. The efficiency rate has also improved considerably here. The original plan was 2 mou per man, but now 2.5 mou per man has been attained; the highest figure attained was 3.3 mou. The hilling of corn rose from 2 mou to 5.2 mou. The farm began grass removal on 13 June and completion of the first stage of mid-season plowing prior to 22 June is ensured.

The hilling of cotton, corn, etc., on the Shuang-ch'iao State Farm has been completed. Mid-season weeding has begun, and at the same time, oats and wheat are ready to be harvested. To ensure the harvesting, drying, and storage of the oats on schedule, the farm has organized harvesting teams. Wheat will be harvested beginning on 18 June.

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